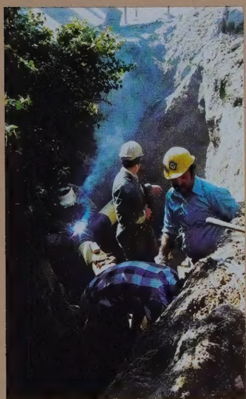
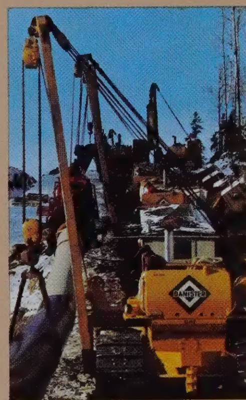
Banister Continental Ltd.

Annual Report 1983







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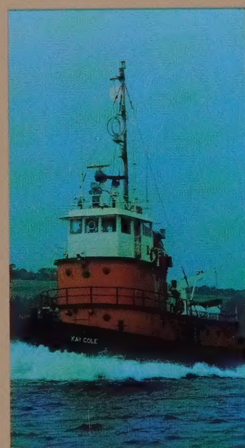
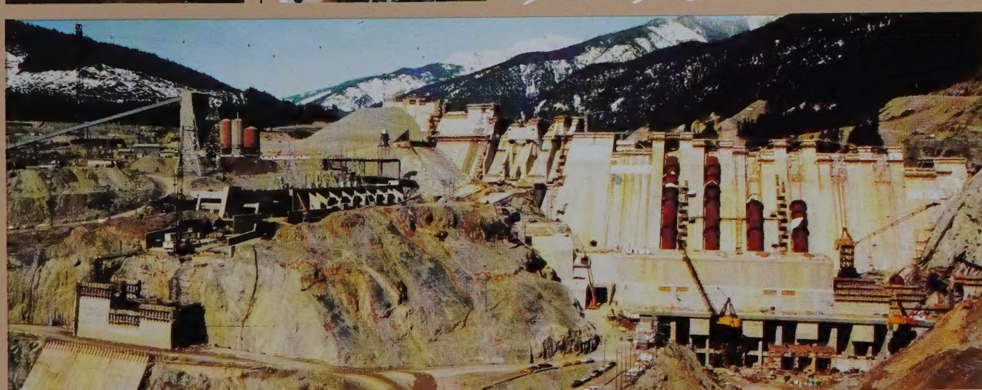

FOREWORD

Banister Continental Ltd. is a Canadian heavy construction company specializing in large-scale energy developments, subways, bridges, tunnels, highways, hydroelectric dams, cross-country pipelines, distribution and gathering systems, underground utilities, and marine work. Major projects have been completed in Canada, the United States, and the Middle East.

Banister was founded in 1948 and became a public corporation in 1969. Banister Continental Ltd. shares are listed on the Toronto, Montreal, Alberta, and American Stock Exchanges.

In 1983 Banister celebrates 35 years of growth and success in the construction industry.

COVER PHOTOS:

CLOCKWISE FROM UPPER LEFT:

Utility crew welding small-diameter gas main.

Construction of Canadian National Railway bridge at Lake Wabamun, Alberta.

Taping and lowering in winter pipeline.

The largest vessel in the Corporation's marine fleet, the Kay Cole.

Concrete gravity dam and powerhouse under construction near Revelstoke, British Columbia.

Banister Model 7-10 Ditcher.

CENTRE:

Banister employees, the Corporation's central strength.

FINANCIAL HIGHLIGHTS

For the Years Ended March 31, 1983 and 1982

	1983	1982
Revenue	**$258,858,000**	$217,363,000
Net income	**$ 4,058,000**	$ 4,660,000
Net income per share:		
Basic	**$ .85**	$ 1.16
Fully diluted	**$ .84**	$ 1.13
Common shares outstanding	**5,038,023**	4,028,023
Cash and short-term deposits	**$ 24,896,000**	$ 6,091,000
Working capital	**$ 7,973,000**	$ 1,715,000
Bank and similar indebtedness	**$ 13,834,000**	$ 30,797,000
Total shareholders' equity	**$ 46,139,000**	$ 37,553,000
Dividends per common share	**$ .60**	$ —
Total assets	**$ 97,054,000**	$111,415,000
Total backlog	**$ 85,200,000**	$250,000,000

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ANNUAL MEETING

The annual meeting of shareholders of Banister Continental Ltd. will be held in the Rowand Room of the Four Seasons Hotel, 10235 - 101 Street, Edmonton, Alberta, at 10:00 a.m. on August 30, 1983.

Shareholders who would like to receive, without charge, a copy of the Corporation's Form 10-K Report to the Securities and Exchange Commission should address their requests to the Corporate Planning and Business Development Department, Banister Continental Ltd., P.O. Box 2408, Edmonton, Alberta, T5J 2R4.

BELOW:
R.K. Banister (right), Chairman & Chief Executive Officer, and W.M. Bateman (left), President & Chief Operating Officer.

TO OUR SHAREHOLDERS:

- ***We are pleased to report net income of $4,058,000 on record revenues of $258,858,000.***
- ***Fiscal 1983 was a very good year for Banister Pipelines.***
- ***Improved liquidity and reduced debt caused the directors to declare a special dividend of 60¢ (Canadian) per share.***

This year marks the thirty-fifth anniversary of the Corporation. We are pleased to report net income of $4,058,000 on record revenues of $258,858,000. In thirty-five years Banister has evolved into one of Canada's leading companies in the construction industry. We are proud of this achievement.

Fiscal 1983 was a very good year for Banister Pipelines. However, the pipeline construction industry remains cyclical and for the next year the level of activity in Canada will be down significantly. For this reason we are examining international opportunities in stable foreign countries.

In February, 1983 our American pipeline division won a jury award of U.S. $12,800,000 relating to a pipeline constructed in Oregon in fiscal 1981. The defendant has appealed; however, a final decision should be made during the coming fiscal year. The award is not included in this year's operating results. Despite the Corporation's victory it remains our policy to avoid litigation and negotiate the normal problems that will always be part of our industry. Our record speaks for itself.

Cliffside Pipelayers, the Corporation's Toronto-based utility construction division, remains consistently profitable. Although available work will be down in Ontario, where Cliffside operates, management forecasts profits for fiscal 1984.

The Corporation's civil and marine construction activities are carried out from coast to coast in Canada by our Pitts Engineering Construction division. The loss this division reported for the year was caused by further write-downs of our 50% interest in Dalcan Constructors, the consortium building a 2760 megawatt hydroelectric dam and powerhouse for B.C. Hydro near Revelstoke, British Columbia. This complex multiyear project is proceeding on schedule. Efforts continue to resolve significant claims for extra costs incurred due to conditions we allege are substantially different from those at the time the project was tendered.

Other civil and marine projects in various Canadian locations were profitable and mitigated the loss for this division. Pitts is aggressively pursuing work in Canadian frontier areas.

Cumulatively, our operating divisions completed a record volume of work this year; however, our backlog had dropped by year-end. We therefore found it necessary to reduce overhead and adjust staff levels to anticipated work loads. These economies have been implemented without affecting our ability to respond to clients' needs.

During the year Trimac Limited purchased 1,000,000 treasury shares of the Corporation at $7.50 per share with an option to purchase the shares held by the Banister family at $12.00 per share. Should Trimac exercise this option, an equivalent follow-up offer will be made to all minority shareholders. The option expires on December 31, 1983.

We welcome Mr. J.R. McCaig and Mr. A.Vanden Brink, Chairman and President, respectively, of Trimac Limited, to our board of directors. Trimac is a Canadian-owned company providing services in the energy and transportation sectors. Banister and Trimac have many common interests and the relationship between the companies is excellent.

The Corporation's balance sheet continued to strengthen this year. Improved liquidity and reduced debt caused the directors to declare a special dividend of 60¢ (Canadian) per share paid to shareholders on March 15, 1983.

The outlook for work in many of our construction disciplines for the next year is not good. Engineering design companies have decreased backlogs and private and government capital spending programs are down. This translates into decreased levels of activity in our industry. However, we believe this is temporary.

Despite our concern over increased federal deficits, the latest budget of the Canadian government appears to recognize the importance of a healthy private sector in our economy. We are encouraged by this redirection of government thinking.

The steps we have taken to decrease overhead and dispose of surplus assets, together with our improved balance sheet, ensure that we will be in a good position to take on work as the economy improves. We are also looking at opportunities the current economic climate presents.

We are confident the Banister Construction Group will successfully weather the downturn we are forecasting for next year and in the long term continue our tradition of growth and profitability.

Banister is poised to respond to any improvement in market conditions. For this achievement we gratefully acknowledge the co-operation of our staff. Their skill, experience, and dedication at all levels have been, and will remain, fundamental to the success of the Corporation.

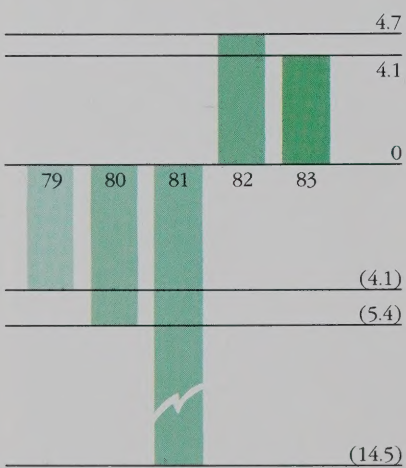
Respectfully submitted on behalf of the Board,

R.K. Banister
Chairman & Chief Executive Officer

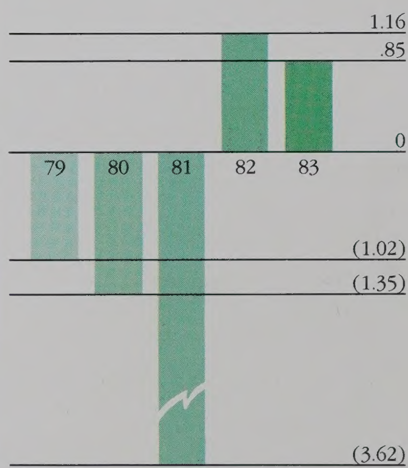
W.M. Bateman
President & Chief Operating Officer

June 1, 1983

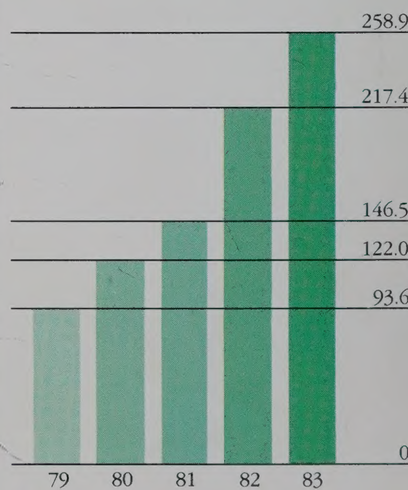
Net Income (Loss)
Millions of Dollars



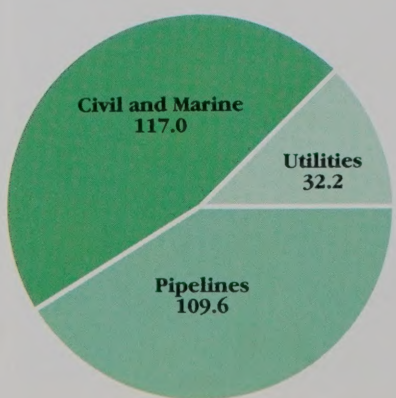
Net Income (Loss) per Share
Dollars



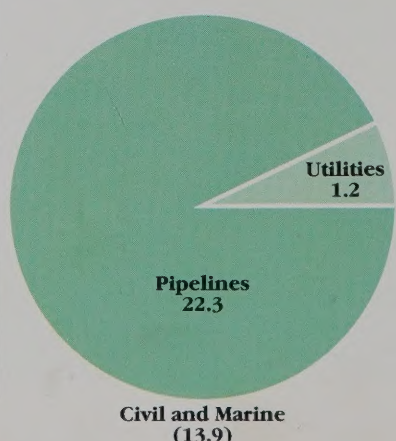
Revenue
Millions of Dollars



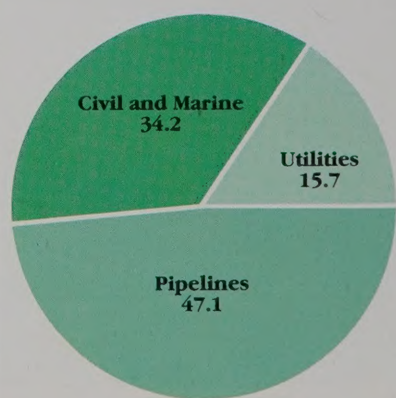
1983 Division Revenue
Millions of Dollars



1983 Division Operating Profit
Millions of Dollars



1983 Division Identifiable Assets
Millions of Dollars



THIRTY-FIVE YEARS OF GROWTH

In 1983 Banister celebrates 35 years of growth and success in the construction industry. From humble beginnings the Corporation has expanded and diversified to become a major Canadian heavy construction contractor. Some of the milestones in our history follow:

1948 - Ronald K. Banister, a heavy equipment salesman from Okotoks, Alberta, realized the discovery of oil at Leduc the previous year created opportunities for pipeline construction. Purchasing a second-hand ditching machine, he founded a small subcontracting company to carry out pipeline ditching work in the Alberta Oilpatch.

Early 1950's - R.K. Banister's company expanded its operations from ditching to full-scale pipeline construction. Projects were completed in Alberta, Saskatchewan, and Manitoba.

1950's and 1960's - Continued growth and profitability enabled the company to expand its operations across Canada. Winter construction techniques pioneered by Banister revolutionized pipeline construction in Arctic regions.

1965 - The world's first Arctic ditching machine was designed and built by Banister. One of a series of ditchers developed over two decades, the Model 508 was the first ditcher capable of economically excavating pipeline trenches in permafrost.

1966 - A pipeline project in Alaska marked Banister's entry into the U.S. construction market.

1969- Banister became a public corporation with stock listed on the Toronto, Montreal, Alberta, and American Stock Exchanges.

1975 - International pipeline construction operations began in the Middle East.

1978 - The acquisition of Pitts Engineering Construction, founded in 1942, and Cliffside Pipelayers, founded in 1957, expanded and diversified the Corporation's construction capabilities.

1982 - Trimac Limited, a Canadian energy resource and transportation company, purchased a 20% interest in the Corporation.

1983 - Today the Banister Construction Group, headquartered in Edmonton, Alberta, stands ready to carry out heavy civil, marine, utility, and pipeline construction projects across Canada and internationally.

During thirty-five years the Corporation's assets have increased from a single used ditching machine to a construction fleet of over 3,750 pieces. Employment has grown from one man in 1948 to a permanent staff of 152 men and women supervising a work force which peaked at 4,000 in fiscal 1983. Total assets now near $100 million. Banister's management has a good balance between experience and youth. These strengths will serve the Corporation well in the future.

CLOCKWISE FROM UPPER LEFT:

Mass excavation on St. Lawrence Seaway by Pitts Engineering Construction.

Tough going in unfrozen muskeg prompted Banister to pioneer winter pipelining.

Combination dozer-crane represented a cost-saving innovation in early years.

Founder R.K. Banister as the proud owner of a new 1960 International.

BELOW:
Lowering in on TransCanada PipeLines' "North Bay Shortcut" project. Fifty-three pipelayers were required on this job.

PIPELINE CONSTRUCTION

- ***Fiscal 1983 was a productive and profitable year for Banister Pipelines.***
- ***All resources were fully utilized and record revenues and earnings were achieved.***
- ***The Corporation's ability to compete in the international market is a valuable asset in balancing uneven volumes of work in the cyclical pipeline construction industry.***

RIGHT:
CAT 235 excavating pipeline rock ditch — one of forty-five excavators used on the TransCanada project.

Banister has been involved in pipeline construction for the past thirty-five years and is active in all phases of the industry. Through its Edmonton-based Banister Pipelines division, the Corporation builds large-diameter pipelines, installs pipeline river crossings, constructs distribution and gathering systems, and tests and upgrades existing pipelines.

Canadian Operations

Fiscal 1983 was a productive and profitable year for Banister Pipelines. All resources were fully utilized and record revenues and earnings were achieved.

A major contract awarded early in 1982 was successfully completed except for final cleanup by the end of October. The project involved construction of 190 km (118 miles) of 914 mm (36 inch) natural gas pipeline in Ontario as part of TransCanada PipeLines' "North Bay Shortcut." Three crossings of the South Nation River were also carried out in conjunction with this project. Construction efficiency and favourable weather conditions made possible completion on schedule and within budget.

Through a 25% interest in a joint venture, Banister participated in a second major project for TransCanada PipeLines. Construction of 187 km (116 miles) of 1219 mm (48 inch) natural gas pipeline began in June of 1982 and was completed by mid-November. The project consisted of five loops between Swift Current, Saskatchewan and Portage-la-Prairie, Manitoba and included a crossing of the Assiniboine River.

Also during the year, installation and servicing of pipeline taps and valves were carried out for Foothills Pipe Lines (Yukon) Ltd. in southern Alberta and Saskatchewan.

Although the Canadian pipeline construction industry is currently in recession, we are confident of obtaining a share of the work available in Canada during the coming year. The pipeline division's capabilities have never been stronger.

U.S. Operations

The Corporation first entered the U.S. pipeline construction market in 1966. Since then major projects have been completed under climatic and geographic conditions ranging from permanently frozen muskeg in Alaska to subtropical Louisiana swampland.

In 1980-81 the Corporation's U.S. pipeline division built 177 km (110 miles) of 610 mm (24 inch) and 762 mm (30 inch) natural gas pipeline as part of the western prebuild of the Alaska Highway Pipeline Project. Following completion, the Corporation submitted claims for reimbursement of additional costs to the owner, Northwest Pipeline Corporation.

A trial ensued and on February 13, 1983 a jury in Pendleton, Oregon awarded the Corporation U.S. $12.8 million in extra costs incurred, damages, and interest. The award is not included in this year's operating results. An appeal of the verdict was subsequently launched and it is expected that a ruling will be made by the court during fiscal 1984. Regardless of the final outcome, the verdict has upheld our reputation in the pipeline construction industry and justified our stand on the matter.

For the past two fiscal years the Corporation has concentrated on pipeline construction in Canada. Due to a marked decrease in Canadian pipeline projects scheduled for the immediate future, we are again bidding on U.S. pipeline projects. Unfortunately the short-term outlook for U.S. pipeline construction is not good either.

UPPER:
Traditional stick welding.

CENTRE:
Portable welding structures provide controlled environment for high quality welds.

LOWER:
State-of-the-art automatic welding inside portable welding structures.

International Operations

The Corporation's pipeline construction activities outside of North America began in 1975. Banister Pipelines International, Inc., a wholly owned subsidiary, was formed in 1978 to carry on operations in parts of the Middle East. Prior to that time the Corporation was involved in pipeline construction through joint venture arrangements.

During fiscal 1982 the Corporation finalized the disposal of its equipment assets in Iraq. However, due to the current shortage of domestic pipeline prospects, we are again actively investigating and bidding on pipeline construction projects in more stable areas of the Middle East.

Aggressive management in our Canadian pipeline division has made it unnecessary to maintain local branch offices for U.S. and international operations. This has resulted in significantly reduced overhead costs. At the same time the mobility of our employees, equipment, and capital resources enables us to operate in geographically diversified areas.
The Corporation's ability to compete in the international market is a valuable asset in balancing uneven volumes of work in the cyclical pipeline construction industry.

UPPER LEFT:
Pipebending operation.

UPPER RIGHT:
Innovative diversion technique on South Nation River crossing.

CENTRE:
CAT 594 sidebooms cradle 1219 mm (48 inch) concrete-coated pipe for Assiniboine River crossing.

LOWER:
Foam breakers provide padding and erosion control in pipeline trench.

BELOW:
Penstock liner and tailrace excavation for Northern Canada Power Commission project in Whitehorse, Yukon.

CIVIL AND MARINE ENGINEERING CONSTRUCTION

- ***During fiscal 1983 work continued or was completed on nine major projects stretching from Revelstoke, British Columbia to St. John's, Newfoundland, and from the Niagara Peninsula to Whitehorse in the Yukon.***
- ***Pitts is sponsor and 50% partner in a consortium building a concrete gravity dam and hydroelectric powerhouse near Revelstoke, British Columbia.***
- ***Our experience and capabilities will enable us to construct major civil and marine projects in the future.***

The Corporation's Pitts Engineering Construction division carries out heavy civil construction operations across Canada. Pitts has capabilities for both land and marine work and has acquired more than forty years of experience in a wide range of engineering construction projects.

During fiscal 1983 work continued or was completed on nine major projects stretching from Revelstoke, British Columbia to St. John's, Newfoundland, and from the Niagara Peninsula to Whitehorse in the Yukon.

Western Operations

A contract awarded in March of 1982 by Northern Canada Power Commission was approximately 65% complete at fiscal year-end. The project involves expansion of an existing powerhouse through construction of a fourth unit which will produce 20 megawatts. The powerhouse, located on the Yukon River in Whitehorse, Yukon, will roughly double its current generating capacity when Unit #4 comes on stream.

An exceptional effort by project personnel brought first-stage concreting of the new powerhouse unit to completion in December despite the onset of winter earlier than usual. This made it possible to enclose the unit by late January and proceed with inside mechanical installations during the remainder of the winter.

Blasting was carefully controlled to avoid damage to nearby structures. All earth and rock excavation for the powerhouse unit and tailrace was substantially complete by the end of the fiscal year.

Extensive modifications are currently being made to the existing spillway to form an intake channel for the new unit. A steel penstock will be installed, as well as various mechanical and electrical items. Construction of a fish screen and hatchery will complete the project by the end of this year.

Adjacent contracts in Edmonton, awarded in 1981, were completed during the 1982 summer construction season. An underpass for the City of Edmonton and a rail bypass for Canadian National Railway were finalized and opened for traffic last fall.

Also during fiscal 1983, two overpasses were completed for the City of Calgary as part of the Crowchild Trail upgrading project.

RIGHT:
The Yukon River's full potential will soon be harnessed by a new powerhouse unit.

Eastern Operations

At fiscal year-end the "Syncrolift" ship repair facility in St. John's Harbour was 80% complete and proceeding on schedule for opening this coming fall. Awarded in December of 1981 by Newfoundland Dockyard, a division of Canadian National Railway, the contract is for construction of a marine elevator and transfer facility with repair berths accommodating ships up to 90 m (295 ft) in length.

Project personnel have met the challenge of a crowded and complex site presenting a number of environmental and geographical obstacles to construction. Land and marine excavation has been carried out and 22,600 m (74,100 ft) of pipe piling driven, while reinforced concrete, structural steel, mechanical, and electrical work continue.

When completed the new facility will be one of the most modern of its kind in the world and will provide complete repair services for a variety of vessels, both domestic and foreign.

On December 4, 1982 the Norris Whitney Bridge in Belleville, Ontario was officially opened five months ahead of schedule. This contract, awarded in the fall of 1980 by the Ontario Ministry of Transportation and Communications, involved construction of ten concrete river piers, 2,400 tonnes of steel plate girder structure, and a concrete deck overlaid with asphalt paving.

The new bridge carries two lanes of traffic approximately 1 km (.62 miles) across the Bay of Quinte while providing almost 24 m (79 ft) of clearance for vessels passing beneath.

In the spring of 1983 an old swing bridge and causeway were demolished and the navigation channel widened to further improve access for marine traffic.

Two contracts for Great Lakes Power Corporation in Sault Ste. Marie, Ontario were also completed during the fiscal year. The first contract was awarded in January, 1980 for construction of a three-unit hydroelectric powerhouse with a 52 megawatt generating capacity. It was officially opened in February, 1983 as the Francis H. Clergue Generating Station.

Improvements to the powerhouse's approach and tailrace channels, begun in 1981, involved rock excavation, reinforced concrete structures, and associated facilities. Integrated land and marine operations completed this second contract by November of 1982.

ABOVE:
Manitowoc 3900 working off "Canadian Jubilee" drives pile for Canadian National Railway's ship repair facility in St. John's, Newfoundland.

UPPER RIGHT:
Side transfer beams near completion (foreground) while pile driving for elevator piers continues (background) on the "Syncrolift" project in St. John's.

LOWER RIGHT:
The Norris Whitney Bridge in Belleville, Ontario was completed five months ahead of schedule. Demolition of the old causeway was carried out this spring.

Joint Venture Operations

Where warranted by project size, location, or equipment needs, the Corporation often enters into joint venture arrangements with other contractors. This reduces business risks. It also enables us to compete on a wider range of projects with increased capital and technological resources.

Pitts is sponsor and 50% partner in a consortium building a concrete gravity dam and hydroelectric powerhouse for B.C. Hydro near Revelstoke, British Columbia. At fiscal year-end this project was approximately 82% complete and on schedule for final completion in August of 1984.

Awarded in July, 1979 to Dalcan Constructors, a consortium sponsored by Pitts, the Revelstoke project is the largest heavy construction contract to be publicly tendered in Canada. Total contract value is now approaching $350 million.

A peak work force of more than 1,500 representing 17 different trades has been required during summer construction seasons. In total, approximately 2.3 million cubic meters (3 million cubic yards) of concrete will be poured. The completed project will include a dam 475 m (1,500 ft) long and 175 m (575 ft) high, a six-unit powerhouse with 2,760 megawatt generating capacity, and various associated structures. A diversion tunnel 13 m (43 ft) in diameter was previously completed by another joint venture sponsored by Pitts.

Higher than expected costs have been incurred on this project as a result of inflation over the life of the contract, unprecedented high interest rates, and lower than expected productivity. These factors have been compounded by structural design changes, increased quantities of work, and acceleration to regain time lost due to strikes. During fiscal 1983 we booked Banister's portion of what we believe is a final write-down on the project of $17.1 million. The Corporation's total write-down to date on this project is $38.1 million. Thus far, claims for additional compensation totalling approximately $80 million have been submitted by the consortium to the owner. No portion of these claims is included in this year's operating results.

Meanwhile construction is proceeding efficiently and the quality of workmanship is high. As the Revelstoke project nears completion, skilled personnel and an extensive inventory of equipment are again becoming available for new work. These resources could be used to good advantage on other major power projects in Canada or overseas. Our experience and capabilities will enable us to construct more civil and marine projects in the future.

ABOVE:
Three-unit horizontal bulb turbine generating station in Sault Ste. Marie, Ontario. The Sault Ste. Marie international bridge in the background was completed by Pitts in the early 1960's.

UPPER RIGHT:
Intricate formwork is required for construction of powerhouse units at the Revelstoke project.

LOWER RIGHT:
Concrete dam and powerhouse under construction for B.C. Hydro on the Columbia River near Revelstoke, British Columbia.

BELOW:
Cliffside crew installing streetlight poles as part of redevelopment program near downtown Toronto.

UTILITIES CONSTRUCTION

- ***Underground utility operations were again profitable in fiscal 1983.***
- ***Cliffside's revenues and net income showed overall improvement compared with fiscal 1982.***
- ***Continued growth and profitability are forecast for Cliffside's manufacturing operations.***

Underground utility construction operations are carried out by the Corporation's Cliffside Pipelayers division. Cliffside installs natural gas distribution systems, telephone, electric, and cable television lines, water mains, storm drains, and sewers in urban and suburban areas throughout Ontario.

A major part of Cliffside's work consists of annual utility installation contracts awarded by natural gas distribution companies, municipalities, and public utility commissions. Cliffside's headquarters and three operating bases in Toronto are supplemented by an additional location in Barrie, Ontario.

Underground utility operations were again profitable in fiscal 1983 with record earnings achieved in the fourth quarter. Cliffside's revenues and net income showed overall improvement compared with fiscal 1982. An even greater improvement could have been achieved but for a six-week strike which hampered utility, water, and sewer operations.

An unusually mild winter with virtually no frost enabled Cliffside to keep cleanup and equipment repair costs to a minimum. Unfortunately the amount of available work was insufficient to fully utilize the division's capabilities. This was in ironic contrast to the winter of fiscal 1982, when Cliffside's gas distribution crews were at their busiest and working in five feet of solidly frozen ground.

As a shortage of utility installation work is expected during fiscal 1984, Cliffside has taken steps to reduce overhead and limit capital expenditures. For the first time in ten years, no additions are needed to Cliffside's fleet of service trucks.

One aspect of Cliffside's operations will be expanded during the coming fiscal year. Under the name Footage Tools, Cliffside designs and manufactures custom field tools for the use of its crews and for sale to outside markets. Service application tools, plastic fusion equipment, squeeze-off tools, leak detectors, and underground piercing tools are currently marketed through a national distribution system.

The success of Footage Tools can be attributed to sound original design based on firsthand knowledge of field requirements, combined with testing and modification by Cliffside's experienced construction personnel. Continued growth and profitability are forecast for this part of Cliffside's operations.

RIGHT:
Relocation of sewer trunk lines for light rail transit system in Scarborough, Ontario.

OUTLOOK

- ***The Corporation's strategy for fiscal 1984 will be to complete existing contracts with maximum efficiency while aggressively pursuing new work.***
- ***Our record of experience, range of expertise, and specialized equipment continue to provide a competitive edge on many types of projects.***
- ***Banister's geographic diversification and ability to compete in a variety of non-related construction disciplines help to mitigate the wild swings in our industry.***

The Canadian construction industry is currently in a period of recession. Unfavourable economic conditions both in Canada and abroad have led to the deferment or cancellation of many projects. Construction work is therefore at a premium and competition for all contracts is intense.

As a result of the decrease in available work, the Corporation has obtained fewer new contracts during the past year and our total backlog is less than at the end of fiscal 1982. Although long-term prospects are now becoming brighter, there seems little hope of dramatic improvement in our industry during the coming year. We therefore expect a decrease in revenues from the record level reached in fiscal 1983.

The Corporation's strategy for fiscal 1984 will be to complete existing contracts with maximum efficiency while aggressively pursuing new work. All divisions will continue to reduce operating costs as much as possible while retaining viable construction capabilities. This strategy, combined with a sound financial position, will enable us to make the best of current conditions.

Pipeline construction opportunities in the United States and abroad are being investigated as an alternative to the depressed Canadian market. Civil engineering work is also being pursued overseas as well as coast to coast in Canada. International operations may again help to balance decreased levels of domestic construction activity.

Cliffside Pipelayers had a record backlog of $33 million at the end of fiscal 1983. It is hoped the Canadian federal budget of April 19 will stimulate the housing industry and increase demand for utility installations. Cliffside anticipates profitable operations during fiscal 1984 despite the possibility of declining work volumes as the year advances.

Our record of experience, range of expertise, and specialized equipment continue to provide a competitive edge on many types of projects. In addition, the location of offices and work sites from coast to coast in Canada puts the Corporation in a favourable position to take advantage of opportunities as they arise.

The construction industry always has been and probably always will be cyclical. During 35 years of operations, the Corporation has experienced many ups and downs. Fortunately Banister's geographic diversification and ability to compete in a variety of non-related construction disciplines help to mitigate the wild swings in our industry.

Over the long haul Banister continues to be guided by the same basic objectives:

- to provide construction services of the greatest possible value for clients
- to offer a satisfactory return on investment to shareholders
- to contribute to the personal and professional development of employees
- to be an asset to the community and to society in general

With these objectives in mind, the Corporation looks upon the past with satisfaction and toward the future with confidence.

RIGHT:
Expertise and technology unite.

FINANCIAL INFORMATION

Banister Continental Ltd.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of operations

The Corporation earned a profit of approximately $4.1 million in fiscal 1983 compared to a profit of $4.7 million and a loss of $14.5 million in fiscal 1982 and 1981 respectively. The current year earnings result primarily from completion of a record backlog of work during the year coupled with substantially improved construction margins.

Construction and service revenue increased to $255.7 million during fiscal 1983 compared to $213.8 million and $143.4 million in fiscal 1982 and 1981 respectively primarily due to increasing pipeline construction volumes for the three year period. Fiscal 1982 construction and service revenue included approximately $15 million as a claim settlement for additional compensation on a pipeline contract awarded to a division of the Corporation's U.S. subsidiary. The growth in revenue is not expected to continue into fiscal 1984 and in fact revenues may decline due to the few projects coming to tender as a result of the slow recovery from the economic recession in Canada and other parts of the world. Although the Corporation is aggressively seeking new contracts, particularly in Canada, the backlog of construction work at March 31, 1983 has decreased to approximately $85.2 million compared to the previous year's record high of approximately $250 million.

In conjunction with the increased volume of work, operating expense increased to $234.4 million in fiscal 1983 compared to $202.1 million and $143.1 million in fiscal 1982 and 1981 respectively. A reassessment, during the current year, of the costs and revenues to completion on the Revelstoke Dam project resulted in increasing the projected loss. The Corporation's share of this loss increased to $38.1 million compared to $21 million which was provided for in operating expense for the year ended March 31, 1982. The additional $17.1 million provision for loss is included in fiscal 1983 operating expense. Fiscal 1981 operating expenses include substantial extra costs, for which the Corporation had not been reimbursed, incurred on a pipeline construction contract by the Corporation's U.S. pipeline subsidiary. On February 13, 1983 a jury awarded approximately U.S. $12.8 million for claims against the owner for such costs. The owner has filed a notice of intent to appeal the award to the State of Oregon Court of Appeals and the Corporation has cross appealled for an increase in the amount of the award. In accordance with the Corporation's accounting policies, no amount with respect to the award has been included in income. Reference is made to Note 17 to the Corporation's Consolidated Financial Statements for a description of contingencies related to the Revelstoke Dam project and of the legal proceedings with respect to the U.S. pipeline jury award.

Construction margins increased to $21.3 million in fiscal 1983 compared to $11.7 million and $0.3 million for fiscal 1982 and 1981 respectively primarily due to the significant improvement in pipeline construction operations.

Included in fiscal 1983 other income is a pension plan surplus refund of $1.8 million described more fully in Note 16 to the Corporation's Consolidated Financial Statements. Gains on disposal of fixed assets decreased significantly in fiscal 1983 compared to both fiscal 1982 and 1981 primarily due to the significant reduction in the disposition of surplus construction equipment.

Fiscal 1981 depreciation expense included a provision of $1.8 million to reduce the carrying value of certain surplus equipment to net realizable value. Depreciation expense has decreased significantly over the three year period ended March 31, 1983 primarily due to the disposal of surplus foreign equipment and to a lesser extent surplus domestic equipment.

Interest expense decreased significantly during fiscal 1983 primarily due to the repayment of long-term debt and reduction of short-term borrowings (average balance outstanding: fiscal 1983 - $6.3 million; fiscal 1982 - $27.6 million; fiscal 1981 - $23.3 million). The repayment of debt during the current year resulted from a substantial improvement in working capital discussed below under the heading "Liquidity."

For fiscal 1983, the effective income tax rate was higher than the statutory rate due to losses in the Corporation's U.S. subsidiary for which no tax recovery was provided. The effective Federal income tax rate in fiscal 1982 was substantially lower than the statutory rate due to interest income earned by the Corporation's foreign subsidiaries not subject to income tax. In fiscal 1981 the effective income tax rate was considerably higher than the statutory rate due to operating losses of the Corporation's U.S. subsidiary for which no future tax recoveries were provided.

During fiscal 1983, 1982 and 1981, the Corporation recorded gains of $0.5 million, $0.3 million and $2.6 million from joint venture interests disposed of in a prior year.

The fiscal 1982 recovery of income taxes of $4.6 million relates to the application of prior years' operating losses against current year's income by the Corporation's U.S. subsidiary for which no tax recovery was previously provided. Federal U.S. taxes will not be payable on any future income earned in the U.S. to the extent that tax loss carryforwards, referred to in Note 9, can be utilized.

On longer term construction projects, the Corporation is protected from increasing labour and material costs as the terms of such contracts normally provide for wage

escalation adjustments and major material purchases are committed at the time the contract is bid. Where certain items are not covered by escalation clauses in the contracts, the Corporation determines its bid price according to anticipated inflation over the life of the contract.

Liquidity

Working capital increased $6.3 million to $8.0 million at March 31, 1983, compared to an increase of $2.3 million and a decrease of $11.6 million during fiscal 1982 and 1981 respectively. The current year increase in working capital results primarily from the significant improvement in Canadian pipeline operations and the issuance of common shares, partially offset by additional loss provisions on the Revelstoke Dam project, the use of working capital for fixed asset additions and the payment of approximately $3 million in dividends. During fiscal 1982, the increase in working capital was primarily due to a $15 million arbitration award on which no income tax was payable due to utilization of prior years' tax losses, the sale of fixed assets and improved Canadian pipeline operations partially offset by loss provisions on the Revelstoke Dam project. Delays in reaching a reasonable settlement of the Corporation's outstanding claims relating to losses incurred on U.S. pipeline contracts had necessitated the use of additional short-term debt to finance continuing operations in fiscal 1981. Reference is made to Note 17(b) to the Corporation's Consolidated Financial Statements for a description of the legal proceedings respecting fiscal 1981 U.S. pipeline losses and Note 17(a) for a description of the contingencies related to the Revelstoke Dam project.

Unused lines of credit increased from $14.2 million in the prior year to $25.8 million at March 31, 1983.

As referred to in "Results of Operations" above, the slow recovery from economic recession has reduced existing backlog to $85.2 million and has increased competition for the few projects which will be available for tender. Industry recovery is not expected for fiscal 1984, resulting in an expected decrease in construction margins and liquidity. In an effort to conserve working capital, the Corporation is continuing to dispose of surplus equipment and reduce its overheads.

Capital resources

The Corporation replaces its construction equipment over an extended period of time based on the specific requirements of contracts obtained. In certain situations, the Corporation will rent or lease rather than purchase equipment. Equipment purchased for certain long-term civil construction contracts may be funded by proceeds from mobilization advances received at the beginning of such contracts.

In view of the Corporation's improved liquidity and expected reduced volume of work, capital resources are believed to be adequate to meet requirements for fiscal 1984.

Auditors' Report

To the Shareholders of
Banister Continental Ltd.:

We have examined the accompanying consolidated balance sheet of Banister Continental Ltd. as at March 31, 1983 and 1982 and the consolidated statements of income and retained earnings and changes in financial position for each of the three years in the period ended March 31, 1983. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation as at March 31, 1983 and 1982, and the results of its operations and changes in its financial position for each of the three years in the period ended March 31, 1983 in accordance with accounting principles generally accepted in Canada applied on a consistent basis during the period.

Arthur Young, Clarkson, Gordon & Co.

Chartered Accountants
Edmonton, Canada
May 15, 1983

Comment on Differences in Canadian-United States Reporting Standards

In the United States, reporting standards for auditors require the expression of an opinion qualified as being subject to the outcome of significant uncertainties affecting the financial statements such as those referred to in the accompanying balance sheet as at March 31, 1983 and as described in Notes 17(a) and (b) to the financial statements. The above opinion is expressed in accordance with Canadian standards and is not qualified with respect to, and provides no reference to, these uncertainties since such an opinion would not be in accordance with Canadian reporting standards for auditors when the uncertainties are adequately disclosed in the financial statements.

Arthur Young, Clarkson, Gordon & Co.

Chartered Accountants
Edmonton, Canada
May 15, 1983

Consolidated Financial Statements

March 31, 1983, 1982, and 1981

Summary of Accounting Policies

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada which, in the case of the Corporation, are not materially different from those generally accepted in the United States.

Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and its subsidiaries and its pro rata share of assets, liabilities, revenues and expenses of joint ventures. Note 1 to the financial statements summarizes the effect of the joint ventures on the consolidated financial statements.

Translation of foreign currencies

The accounts of the Corporation, its foreign subsidiaries and joint ventures stated in foreign currencies have been translated into Canadian dollars using:

- the year-end rates for cash, amounts receivable and payable,
- exchange rates in effect at the time of the transaction for other assets, liabilities and deferred credits, and
- exchange rates prevailing during the years for revenues and expenses, except for depreciation and amortization which have been translated at rates pertaining to the related assets.

All foreign exchange gains or losses are included in income.

Accounting for contracts

Income, from contracts which may extend up to five years, is determined on the percentage of completion basis except that income from contracts of a fixed price nature is not recognized until projects attain a stage of completion sufficient to reasonably determine the probable results. Provision is made for all anticipated losses as soon as they become evident. Claims for additional contract compensation are not recognized until resolved.

Net unbilled revenues on contracts in progress are included in accounts receivable. Deferred contract costs represent costs in excess of billings on uncompleted contracts. Unearned revenue and contract advances include the excess of billings over the amount of costs incurred on uncompleted contracts and payments received from clients in advance of the performance of the work. Provisions for anticipated losses on uncompleted contracts are deducted from related deferred contract costs with any excess being included in unearned revenue.

Where the Corporation incurs interest costs, interest on the net accumulated expenditures on long-term construction projects is capitalized as a deferred contract cost.

Provision for estimated major overhaul costs for equipment is charged to contract costs as the equipment is utilized.

Land held for resale

Land held for resale is valued at the lower of cost and estimated net realizable value.

Fixed assets

Fixed assets are recorded at cost and are depreciated on the straight line method, after recognition of salvage values ranging up to 30%, over the useful lives of the assets which are estimated to be 10 to 20 years for buildings and 4 to 15 years for construction equipment.

When joint ventures are established to perform single contracts and equipment is acquired for use during the contract to be disposed of upon completion of the contract, the cost of such equipment, net of estimated salvage value, is treated as a contract cost. The original cost of this equipment less estimated salvage value is amortized and charged to contract costs based on the percentage-of-completion method, with the percentage being determined on the same basis as that for income recognition. The unamortized portion of such equipment cost is included in deferred contract costs.

Excess of cost over net assets at acquisition

Excess of cost over net assets at acquisition, which resulted from the 1969 purchase of the Banister pipeline operations, is not being amortized since the Corporation does not believe there is any diminution of value.

Income taxes

Deferred income taxes result from timing differences between financial and tax reporting principally relating to recognition of construction revenues and accelerated depreciation. That portion of deferred income taxes which relates to amounts included in current assets and liabilities is shown as a current asset or current liability.

Unremitted earnings of the Corporation's foreign subsidiaries amounted to approximately $12,010,000 at March 31, 1983 and $16,000,000 at March 31, 1982. Because the unremitted earnings can be repatriated on a tax free basis, Canadian income taxes have not been provided for the repatriation of such earnings.

Investment tax credits available to the United States subsidiaries are applied to reduce the income tax provision in the year the credits are allowed for tax purposes.

Retirement plans

The Corporation and its subsidiaries maintain retirement plans covering full-time employees. Pension expense is accrued and funded currently and includes current costs and, if applicable, amortization of unfunded past service costs.

Earnings (loss) per share

Basic earnings (loss) per share were computed by dividing net income (loss) by the weighted average number of common shares outstanding during each year.

Fully diluted earnings (loss) per share were determined on the assumption that the convertible debenture was converted at the beginning of the year and net income adjusted for the interest saving (net of tax). As the Corporation had a net loss in fiscal 1981, the assumed conversion of the convertible debenture is anti-dilutive and therefore not relevant in computing fully diluted loss per share.

Earnings (loss) per share computations have been made in accordance with generally accepted accounting principles applicable in Canada. The results of these computations for fiscal 1983, 1982 and 1981 made on this basis are substantially the same as those which would have resulted had the computation been made in accordance with generally accepted accounting principles applicable in the United States.

Consolidated Statement of Income and Retained Earnings

Years ended March 31, 1983, 1982, and 1981
(Stated in Canadian Dollars)

	1983	1982	1981
Revenue:			
Construction and services	$255,698,000	$213,783,000	$143,426,000
Other income (Note 13)	3,160,000	3,580,000	3,050,000
	258,858,000	217,363,000	146,476,000
Expenses:			
Operating	234,408,000	202,107,000	143,125,000
Depreciation (Note 5)	4,110,000	5,492,000	8,350,000
Interest (Note 14)	668,000	2,545,000	3,243,000
Selling, administrative and general	10,772,000	10,090,000	11,066,000
	249,958,000	220,234,000	165,784,000
	8,900,000	(2,871,000)	(19,308,000)
Gain on joint venture interests disposed of in a prior year (Note 1)	490,000	276,000	2,624,000
Income (loss) from continuing operations before income taxes and extraordinary item	9,390,000	(2,595,000)	(16,684,000)
Income taxes (recoverable) (Note 9)	5,332,000	(2,634,000)	(1,959,000)
Income (loss) from continuing operations before extraordinary item	4,058,000	39,000	(14,725,000)
Income from discontinued operations (Note 3)	—	—	188,000
Income (loss) before extraordinary item	4,058,000	39,000	(14,537,000)
Recovery of income taxes by utilization of prior years' losses (Note 9)	—	4,621,000	—
Net income (loss)	4,058,000	4,660,000	(14,537,000)
Retained earnings, beginning of year	7,242,000	2,582,000	17,119,000
Dividends ($.60 per common share)	3,023,000	—	—
Retained earnings, end of year	$ 8,277,000	$ 7,242,000	$ 2,582,000
Earnings (loss) per share:			
Basic:			
Income (loss) from continuing operations before extraordinary item	$ .85	$ .01	$ (3.67)
Income (loss) before extraordinary item	$ .85	$ .01	$ (3.62)
Net income (loss)	$ .85	$ 1.16	$ (3.62)
Fully diluted:			
Income (loss) from continuing operations before extraordinary item	$ .84	$ .01	$ (3.67)
Income (loss) before extraordinary item	$ .84	$ .01	$ (3.62)
Net income (loss)	$ .84	$ 1.13	$ (3.62)

(See accompanying notes and summary of accounting policies)

Consolidated Balance Sheet

March 31, 1983 and 1982
(Stated in Canadian Dollars)

ASSETS	1983	1982
Current assets		
Cash and short-term deposits (Note 2)	$ 24,896,000	$ 6,091,000
Receivables (Note 4)	17,688,000	33,091,000
Recoverable income taxes	—	368,000
Deferred contract costs	3,579,000	18,899,000
Land held for resale	1,985,000	1,344,000
Other current assets	2,850,000	2,810,000
Total current assets	50,998,000	62,603,000
Fixed assets, less accumulated depreciation (Note 5)	38,311,000	41,075,000
Other assets, at cost	807,000	799,000
Excess of cost over net assets at acquisition	6,938,000	6,938,000
	$ 97,054,000	$111,415,000

LIABILITIES AND SHAREHOLDERS' EQUITY	1983	1982
Current liabilities		
Bank loans (Note 6)	$ 3,334,000	$ 16,522,000
Other advances (Note 7)	10,500,000	—
Accounts payable and accrued liabilities	18,075,000	19,566,000
Income taxes payable	1,042,000	—
Deferred income taxes	4,370,000	2,458,000
Unearned revenue and contract advances (Note 8)	5,417,000	14,986,000
Current portion of long-term debt (Note 10)	287,000	7,356,000
Total current liabilities	43,025,000	60,888,000
Long-term debt (Note 10)	1,435,000	8,982,000
Deferred income taxes	6,455,000	3,992,000
Contingencies (Note 17)		
Shareholders' equity (Notes 11 and 12):		
Common shares without nominal or par value — 20,000,000 shares authorized 5,038,023 shares issued (1982 - 4,028,023)	34,751,000	27,200,000
Contributed surplus	3,111,000	3,111,000
Retained earnings	8,277,000	7,242,000
Total shareholders' equity	46,139,000	37,553,000
	$ 97,054,000	$111,415,000

On behalf of the Board:

R. K. Banister Director

Wm Bateman Director

(See accompanying notes and summary of accounting policies)

Consolidated Statement of Changes in Financial Position

Years Ended March 31, 1983, 1982, and 1981
(Stated in Canadian Dollars)

	1983	1982	1981
Working capital provided by (used for):			
Operations:			
Income (loss) from continuing operations before extraordinary item	$ 4,058,000	$ 39,000	$(14,725,000)
Add (deduct) non-working capital items:			
Depreciation	4,110,000	5,492,000	8,350,000
Deferred income taxes	2,463,000	(4,128,000)	(1,408,000)
Gain on sale of fixed assets	(144,000)	(3,396,000)	(1,079,000)
Unrealized currency translation (gains) losses	18,000	—	(32,000)
Gain on joint venture interests disposed of in a prior year	—	—	(2,624,000)
Total provided by (used for) continuing operations	10,505,000	(1,993,000)	(11,518,000)
Recovery of income taxes by utilization of prior years' losses	—	4,621,000	—
Proceeds from sale of fixed assets	1,852,000	5,883,000	5,717,000
Fixed assets held for disposal	—	—	7,636,000
Dividends received from associated company	—	—	150,000
Issuance of common shares	7,551,000	—	—
	19,908,000	8,511,000	1,985,000
Working capital used for:			
Additions to fixed assets	3,054,000	3,628,000	6,425,000
Reduction in long-term debt	7,565,000	2,521,000	17,715,000
Less proceeds applied from sale of shares of associated company (Note 3)	—	—	(11,241,000)
Conversion of 5½% subordinated debenture:			
Reduction in debenture	—	—	277,000
Less capital stock issued	—	—	(277,000)
Dividends	3,023,000	—	—
Other	8,000	57,000	678,000
	13,650,000	6,206,000	13,577,000
Increase (decrease) in working capital	$ 6,258,000	$ 2,305,000	$(11,592,000)
Increase (decrease) in working capital by component:			
Cash and short-term deposits	$ 18,805,000	$ 4,497,000	$(12,360,000)
Receivables	(15,403,000)	7,342,000	7,375,000
Recoverable income taxes	(368,000)	90,000	7,000
Deferred contract costs	(15,320,000)	(19,987,000)	19,301,000
Land held for resale	641,000	(266,000)	(1,049,000)
Fixed assets held for disposal	—	(7,636,000)	7,636,000
Other current assets	40,000	230,000	1,185,000
Bank loans	13,188,000	18,486,000	(26,445,000)
Other advances	(10,500,000)	—	—
Accounts payable and accrued liabilities	1,491,000	643,000	(350,000)
Income taxes payable	(1,042,000)	—	—
Deferred income taxes	(1,912,000)	3,089,000	(93,000)
Unearned revenue and contract advances	9,569,000	(3,586,000)	(1,931,000)
Current portion of long-term debt	7,069,000	(597,000)	(4,868,000)
Increase (decrease) in working capital	$ 6,258,000	$ 2,305,000	$(11,592,000)

(See accompanying notes and summary of accounting policies)

Notes to Consolidated Financial Statements

March 31, 1983, 1982, and 1981
(Stated in Canadian Dollars)

NOTE 1. JOINT VENTURES

The Corporation has investments in and advances to joint ventures and has participated in these joint ventures in an effort to spread present day business risks and to make available to the Corporation increased capital and technological resources.

In 1978, a subsidiary company sold its 50 percent interest in joint ventures to its joint venture partner for an amount subject to adjustment upon final determination of certain assets and liabilities of the joint ventures. Recognition of the results of the sale in the statement of income was deferred until final settlement could be determined. Final determination of the more significant assets and liabilities of these joint venture interests has been made with the result that the Corporation recognized gains of $490,000 in fiscal 1983, $276,000 in fiscal 1982 and $2,624,000 in fiscal 1981.

The Corporation's pro rata share of the joint venture operations included in the consolidated financial statements is summarized below:

Statement of Income

	1983	1982	1981
Revenue	**$ 68,421,000**	$ 72,790,000	$ 26,616,000
Expenses:			
Operating	**85,289,000**	91,681,000	25,462,000
Other	**—**	—	32,000
	85,289,000	91,681,000	25,494,000
Income (loss) before income taxes	**(16,868,000)**	(18,891,000)	1,122,000
Income taxes	**—**	—	—
Net income (loss)	**$(16,868,000)**	$(18,891,000)	$ 1,122,000

Balance Sheet

	1983	1982
Assets:		
Current assets	**$ 2,898,000**	$ 17,481,000
Liabilities and owner's equity:		
Current liabilities	**$ 25,714,000**	$ 21,879,000
Owner's equity (deficiency), including advances	**(22,816,000)**	(4,398,000)
	$ 2,898,000	$ 17,481,000

NOTE 1. JOINT VENTURES (continued)

Statement of Changes in Financial Position

	1983	1982	1981
Working capital provided by:			
Operations	$ —	$ —	$ 1,122,000
Advances from joint venturers	3,632,000	1,206,000	11,067,000
Other	—	—	125,000
	3,632,000	1,206,000	12,314,000
Working capital used for:			
Operations	16,868,000	18,891,000	—
Return of equity to joint venturers	5,182,000	873,000	1,572,000
	22,050,000	19,764,000	1,572,000
Increase (decrease) in working capital	$(18,418,000)	$(18,558,000)	$ 10,742,000

Notes:

(a) Transactions between the joint ventures and the Corporation have been eliminated in the consolidated financial statements including equipment rentals charged by the Corporation amounting to $510,000, $1,070,000, and $33,000 for fiscal years 1983, 1982 and 1981 respectively.

(b) Income taxes applicable to the income or losses of unincorporated joint ventures are not provided in the ventures' accounts but are included, to the extent of the Corporation's share, in its consolidated statement of income.

NOTE 2. CASH AND SHORT-TERM DEPOSITS

Cash and short-term deposits are made up of:

	1983	1982
Cash on hand and in bank	$ 2,709,000	$ 191,000
Short-term deposits	22,187,000	5,900,000
	$24,896,000	$ 6,091,000

Short-term deposits for 1983 include collateral deposits amounting to $4,235,000 which are restricted as to withdrawal. Such amounts secure bank advances to a joint venture of the Corporation and a bank letter of credit issued to a third party.

NOTE 3. EQUITY EARNINGS IN ASSOCIATED COMPANY

In April, 1980 the Corporation sold its investment in Standard Industries Ltd., an associated company, for $11,241,000. The Corporation's equity earnings of the associated company for fiscal 1981 have been disclosed as income from discontinued operations.

NOTE 4. RECEIVABLES

Fiscal 1983 receivables include holdbacks receivable amounting to $10,216,000 ($12,682,000 in 1982) and included in fiscal 1982 receivables are unbilled revenues amounting to $189,000.

The balances billed but not paid by customers pursuant to retainage provisions in construction contracts will be due upon completion of the contracts and acceptance by the owner. Based on the Corporation's experience with similar contracts in recent years, $8,216,000 of the balance at March 31, 1983 is expected to be collected in the year ending March 31, 1984 and the remainder in subsequent years.

NOTE 5. FIXED ASSETS

The cost and net book value of fixed assets (in thousands) are as follows:

	Cost		Net Book Value	
	1983	1982	**1983**	1982
Land and buildings	**$ 6,546**	$ 6,793	**$ 5,585**	$ 5,984
Construction equipment	**65,288**	68,092	**32,220**	34,359
Other	**1,185**	1,331	**506**	732
	$73,019	$76,216	**$38,311**	$41,075

A provision of $1,797,000 was included as depreciation in the fourth quarter of fiscal 1981 to reduce the carrying value of surplus equipment owned to estimated net realizable value. In fiscal 1982 the Corporation disposed of these assets and repaid bank indebtedness with the proceeds.

NOTE 6. BANK LOANS

The Corporation has an operating line of credit of $20,000,000 of which $15,850,000 was unused at March 31, 1983 and a $10,000,000 revolving term loan which reduces at $2,000,000 per year commencing in fiscal 1984. As collateral security the Corporation has given an assignment of accounts receivable and a $35,000,000 debenture providing a fixed and specific mortgage on all land, buildings and major marine equipment and a floating charge covering all other assets.

NOTE 7. OTHER ADVANCES

Other advances comprise the Corporation's $10,500,000 share of indebtedness of a joint venture, payable on or before August 31, 1984, which is secured by a bank letter of credit issued in favour of the creditor. The bank letter of credit is secured by a floating charge debenture on joint venture assets, which are included in deferred contract costs, and the debenture granted by the Corporation referred to in Note 6.

NOTE 8. UNEARNED REVENUE AND CONTRACT ADVANCES

Contract advances amounting to $3,335,000 ($7,500,000 in fiscal 1982) are secured by chattel mortgages on certain equipment owned by a joint venture which is included in deferred contract costs.

NOTE 9. INCOME TAXES

The components of the income (loss) before income taxes and extraordinary item are as follows:

	1983	1982	1981
Canadian	$ 9,927,000	$(14,299,000)	$ (3,358,000)
Foreign	(537,000)	11,704,000	(13,138,000)
	$ 9,390,000	$ (2,595,000)	$(16,496,000)

Components of the provision for income taxes are as follows:

	1983	1982	1981
Current			
Canadian —			
Federal	$ 666,000	$ 1,000	$ (466,000)
Provincial	259,000	—	(167,000)
Foreign	32,000	4,582,000	(11,000)
	957,000	4,583,000	(644,000)
Deferred			
Canadian—			
Federal	3,238,000	(5,471,000)	(971,000)
Provincial	1,137,000	(1,746,000)	(344,000)
Foreign	—	—	—
	4,375,000	(7,217,000)	(1,315,000)
Income taxes (recoverable)	$ 5,332,000	$ (2,634,000)	$ (1,959,000)

The following is a reconciliation between the normal Canadian federal statutory tax rate and the consolidated effective tax rate:

	1983	1982	1981
Canadian federal income tax rate	47.8%	(47.8)%	(47.8)%
Expenses (income) not included for income tax purposes	3.3	(48.0)	(7.2)
Operating losses for which no tax recoveries are currently available	3.1	—	47.6
Exchange translation losses (gains)	—	2.6	(1.1)
Tax rate differential relating to the use of losses or tax loss carrybacks	—	16.0	—
Tax exempt portion of capital loss	—	4.4	—
Other	2.6	(28.7)	(3.4)
Consolidated effective tax rate	56.8%	(101.5)%	(11.9)%

NOTE 9. INCOME TAXES (continued)

Deferred income tax expense (recovery) results from timing differences in the recognition of revenue and expense for tax and financial statement purposes. The source of these differences and the income tax effect of each was as follows:

	1983	1982	1981
		(thousands of dollars)	
Depreciation:			
Excess of tax over book depreciation	**$ (603)**	$ 39	$ 1,094
Long-term contracts including joint ventures:			
Use of percentage completion for financial purposes, and use of billings less costs excluding contractual holdbacks for tax purposes	**(8,298)**	(2,226)	8,187
Reserve for equipment overhauls:			
Charged to expense for financial purposes but not deductible until paid	**168**	(355)	—
Provision for future losses:			
Charged to expense for financial purposes but not deductible until incurred	**—**	(10,347)	(406)
Charged to expense for tax purposes but not for financial purposes	**284**	—	—
Capitalized interest:			
Capitalized for financial purposes but deducted for tax purposes as incurred	**344**	3,285	1,348
Loss carryforwards:			
Benefit recognized for tax purposes but not for financial purposes	**12,513**	1,892	—
Benefit recognized for financial purposes but not for tax purposes	**—**	—	(12,043)
Other:			
Expenses accrued or deferred for financial purposes, deducted for tax purposes as paid; and expenses deducted for tax purposes but accrued or deferred for financial purposes until incurred	**(33)**	495	505
Deferred income tax expense (recovery)	**$ 4,375**	$ (7,217)	$ (1,315)

Certain United States subsidiaries have operating loss carryforwards, for which no accounting tax benefit has been recognized, of approximately $15,111,000 available to reduce future years' taxable income and expire as follows: $14,150,000 - 1996; $961,000 - 1997.

The Corporation's United States subsidiaries have investment tax credit carryovers of approximately $206,000 available to reduce future U.S. Federal income taxes and expire between 1990 and 1994.

In the 1982 fiscal year, operating loss carryforwards of one of the Corporation's United States subsidiaries, for which no accounting tax benefit had previously been recognized, were applied against taxable income. Income taxes otherwise payable were reduced by $4,621,000 which has been reflected as an extraordinary item in the statement of income.

NOTE 10. LONG-TERM DEBT

	1983	1982
5½% U.S. dollar convertible subordinated debenture, payable to a company controlled by a director of the Corporation, repayable in equal annual instalments of U.S. \$232,500 maturing December 31, 1988 convertible at the holder's option at U.S. \$10.91 per share into 127,864 (133,511 in 1982) shares of common stock (U.S. \$1,395,000 - 1983; \$1,627,500 in 1982)	**\$ 1,722,000**	\$ 1,992,000
Revolving bank loan of up to \$10,000,000 with interest at the bank's cost of borrowing plus ¾%	**—**	4,000,000
Investment bank loan with interest at the bank's prime rate plus ¼%	**—**	7,275,000
Term bank loan with interest at the bank's prime rate plus 1%	**—**	3,000,000
Notes payable, with annual payments of \$42,750, no interest payable	**—**	71,000
	1,722,000	16,338,000
Less amount due within one year	**287,000**	7,356,000
	\$ 1,435,000	\$ 8,982,000

The principal repayments of long-term debt over each of the next five years are as follows:

1984 - \$287,000; 1985 - \$287,000; 1986 - \$287,000; 1987 - \$287,000; 1988 - \$287,000.

NOTE 11. COMMON SHARES

During fiscal 1983, 1,000,000 common shares of the Corporation were issued to Trimac Limited for a cash consideration of \$7,500,000. See Note 18 "Trimac purchase agreement" for further details. Also in fiscal 1983, 10,000 common shares of the Corporation were issued for \$50,625 to an officer of the Corporation.

During fiscal 1981, the holder of the Corporation's 5½% U.S. dollar convertible subordinated debenture converted the maturing instalment amounting to \$277,000 (U.S. \$232,500) into 19,073 common shares.

At March 31, 1983, 139,138 common shares were reserved for issuance for potential conversion of the 5½% U.S. dollar convertible subordinated debenture and the exercise of stock options.

NOTE 12. STOCK OPTIONS

The Corporation has granted options to purchase shares of the Corporation to officers and other key employees under a stock option plan which lapsed in 1979. These options become exercisable in four equal cumulative instalments beginning one year after the date of grant and expire five years after the date of grant. No options can be exercised under this plan after November 10, 1983.

NOTE 12. STOCK OPTIONS (continued)

The details of outstanding and exercisable options for fiscal 1983, 1982 and 1981 are as follows:

	1983	1982	1981
Option price per share	**$ 9.13**	$ 9.13	$ 9.13
Options outstanding beginning of year	**12,837**	13,387	34,587
Exercised for cash in lieu of shares	**1,500**	—	10,825
Expired and cancelled	**63**	550	10,375
Options outstanding end of year	**11,274**	12,837	13,387
Options exercisable beginning of year	**9,614**	5,341	5,892
Became exercisable	**3,223**	4,823	13,449
Exercised	**1,500**	—	10,825
Exercisable options cancelled	**63**	550	3,175
Options exercisable end of year	**11,274**	9,614	5,341

The Corporation has the right, at the time an option is exercised, to pay an amount to the option holder equal to the excess of the market value over the option price of the shares in lieu of issuing common shares. Such payments to option holders are charged to income in the year of payment.

The proceeds from options exercised for shares are credited to common shares with no charge to income.

NOTE 13. OTHER INCOME

Other income consists of:

	1983	1982	1981
Interest	**$1,166,000**	$ 369,000	$1,451,000
Pension plan surplus refund (Note 16)	**1,757,000**	—	—
Gain on sale of fixed assets	**144,000**	3,396,000	1,079,000
Foreign exchange gains (losses)	**(118,000)**	(355,000)	370,000
Other	**211,000**	473,000	150,000
Loss on sale of fixed assets held for disposal	**—**	(303,000)	—
	$3,160,000	$3,580,000	$3,050,000

NOTE 14. INTEREST CAPITALIZED

Total interest cost incurred amounted to $1,369,000 for fiscal 1983 and $9,114,000 and $6,062,000 for fiscal 1982 and 1981 respectively. Interest capitalized on long-term construction projects and included in contract costs amounted to $701,000, $6,569,000 and $2,819,000 for fiscal 1983, 1982 and 1981 respectively.

NOTE 15. OPERATING LEASE COSTS AND RENTAL EXPENSE

The Corporation leases certain administrative facilities and equipment and construction equipment. Construction equipment is generally leased for periods of less than one year.

The charge to income for the rental expense of non-cancellable operating leases was $153,000 in fiscal 1983. Future minimum rental commitments for all non-cancellable operating leases as of March 31, 1983 were as follows:

1984	$131,000
1985	128,000
1986	135,000
1987	135,000
1988	—
	$529,000

NOTE 16. RETIREMENT PLANS

The cost of retirement plans was approximately $826,000, $458,000, and $389,000 for fiscal 1983, 1982 and 1981 respectively. During fiscal 1983 a non-contributory plan was implemented wherein all contributions were made by the Corporation. In prior years contributions were made by both the plan members and the Corporation.

Based on the most recent actuarial review, the plan assets available for benefits and the present value of pension plan benefits at January 1, 1982 were as follows:

Plan assets available for benefits		$7,954,000
Present value of pension plan benefits	- vested	5,030,000
	- nonvested	760,000
		5,790,000
Plan surplus at valuation date		2,164,000
Portion of plan surplus assets refunded to the Corporation subsequent to valuation date		1,757,000
Plan surplus after refund		$ 407,000

The assumed rate of return used in determining the present value of pension plan benefits is 6% per annum.

During the current fiscal year, the Corporation terminated the retirement plans of subsidiary companies and established a new plan. As a result, a portion of the plan surplus amounting to $1,757,000, resulting primarily from employee retirements and terminations in connection with the relocation of a division's offices, was paid to the Corporation with the approval of Government regulatory authorities. This amount is included in other income in fiscal 1983.

NOTE 17. CONTINGENCIES

(a) The Corporation has a 50% interest in Dalcan Constructors, a joint venture established to carry out the Revelstoke Dam project scheduled for completion in 1984. At March 31, 1983 the project was approximately 82% completed. It is management's view that a loss is likely to result from this contract. Higher than anticipated operating costs during the current fiscal year and a reassessment of the costs and revenues to completion of the contract have resulted in an increase in the final projected loss on the contract. It is now estimated that the Corporation's share of the loss will be $38,100,000 ($18,623,000 net of tax) as compared to $21,000,000 ($10,500,000 net of tax) provided for the year ended March 31, 1982. This additional $17,100,000 loss provision ($8,123,000 net of tax) is reflected in the Corporation's financial statements for the year ended March 31, 1983. In arriving at the projected loss, no recognition has been given to claims submitted to the owner for additional contract compensation, relating to substantial extra costs, aggregating approximately $81,000,000 ($40,500,000 Corporation's share), as such claims have not been resolved. The joint venture has agreed not to commence legal action with respect to these claims until the earlier of completion of the contract or August 31, 1984. The projected loss does not include amounts of up to approximately $18,000,000 ($9,000,000 Corporation's share) which would become payable to the owner as penalties and indemnification for failure to achieve key construction schedule dates over the remainder of the contract. Management believes these schedule dates can be met under normal circumstances.

The Corporation is jointly and severally liable for the obligations of its joint venture partners in all respects of the Revelstoke Dam project relating to the owner. A joint venture partner with a 15% interest in Dalcan Constructors has not fully complied with financial commitments required of the partners. In the event this partner is eventually unable to meet these commitments, which is uncertain at this time, the Corporation's share of the projected loss on the contract would increase by approximately $700,000 ($333,000 net of tax) and the Corporation's share of the potential liability to the owner for penalties and indemnification would increase by approximately $1,600,000 ($760,000 net of tax).

(b) During fiscal 1981, Banister Pipelines America, a division of the Corporation's U.S. subsidiary, was awarded contracts by Northwest Pipeline Corporation to construct approximately 110 miles of pipeline in the State of Oregon. The job was substantially complete in fiscal 1981 and legal action

NOTE 17. CONTINGENCIES (continued)

against the client was commenced on June 24, 1981 in the Circuit Court for the State of Oregon, for the County of Umatilla to recover approximately U.S. $30 million for additional expenses incurred, lost profits, damages, and interest thereon. The trial commenced on November 15, 1982 and on February 13, 1983 Banister Pipelines America obtained a jury award of U.S. $12,842,662.38 against Northwest Pipeline Corporation. On April 12, 1983, the Circuit Court denied Northwest Pipeline Corporation's motions for mistrial and reversal of the jury verdict. On May 6, 1983, Northwest Pipeline Corporation filed a notice of intent to appeal the verdict to the Court of Appeals of the State of Oregon. The Corporation has filed a notice of intent to cross appeal the verdict seeking to increase the award to approximately U.S. $16.7 million, being the amount originally determined by the jury and reduced by the trial judge. Interest on the amount of the ultimate judgment will accrue at 9% per annum from February 13, 1983. In accordance with the Corporation's accounting policies, no recovery will be reflected in the Corporation's financial statements until such time as payment is received. Federal U.S. taxes will not be payable on any such recovery to the extent that tax loss carryforwards and investment tax credits, referred to in Note 9, can be utilized.

(c) Pitts Engineering Construction Limited ("Pitts"), a former wholly-owned subsidiary which was amalgamated with the Corporation on August 31, 1982, has been named as a co-defendant in a claim issued by the Attorney General of Canada and the National Harbours Board in connection with certain dredging contracts completed in years prior to the acquisition of Pitts by the Corporation, alleging conspiracy and seeking to recover civil and exemplary damages in the total amount of $15 million from 18 defendants including Pitts and a former officer of Pitts. Although Pitts and the former officer have been found guilty of criminal charges relating to the same contracts, there is no reliable basis upon which to predict the amount, if any, which Pitts may ultimately be required to contribute to any recovery. The Corporation holds an unlimited indemnity, given by the former officer of Pitts, under which all losses, costs, fines, liabilities or damages which may be incurred by Pitts as a result of the dredging litigation are to be reimbursed to the Corporation. The former officer is required to and has pledged assets having a value of $3,800,000 as collateral to support the indemnity.

(d) The Corporation is involved in other claims and litigation primarily arising in the normal course of its business for the reimbursement of costs of additional work and of additional costs incurred because of changed conditions. Any settlements or awards will be reflected in income as the matters are resolved.

(e) The Corporation is contingently liable for the usual contractor's obligations relating to performance and completion of construction contracts and for the obligations of its associates in unincorporated joint ventures.

NOTE 18. TRIMAC PURCHASE AGREEMENT

On April 14, 1982, the Corporation entered into a Share Purchase and Standstill Agreement (the "Purchase Agreement") with Trimac Limited ("Trimac") which provided for the sale by the Corporation to Trimac of 1,000,000 common shares at a price of $7.50 per share.

Concurrently with the execution of the Purchase Agreement, a director of the Corporation, Elmbridge Limited (a company controlled by the same director of the Corporation), Trimac and a subsidiary of Trimac entered into an Option Agreement which, among other things, provides Trimac with an option exercisable until December 31, 1983 to acquire all the common shares owned beneficially (21.1% of the current outstanding common shares of the Corporation) by the director of the Corporation at the greater of market price or $12 per share and unless the parties otherwise agree, requires Trimac, if it exercises its option, to make a "follow-up offer" of equivalent value to the other shareholders of the Corporation.

The Purchase Agreement and the Option Agreement were approved at a special meeting of shareholders of Banister Continental Ltd. held on June 28, 1982.

NOTE 19. BUSINESS SEGMENTS

The Corporation operates in three industry segments: pipeline construction, civil engineering construction, and underground utilities construction.

Pipeline construction includes the construction, upgrading and testing of pipelines, gathering systems and distribution systems for the oil and gas industry. Major pipeline construction activities have taken place only in Canada during fiscal 1983 and 1982. During prior years, pipeline construction was active in Canada, the United States, and the Middle East.

Through its Pitts Engineering Construction division, the Corporation engages in civil engineering construction primarily for governments at all levels. Pitts does both dryland and marine work, specializing in the construction of large-scale energy developments, multilane highways, bridges, dams and tunnels and marine construction. To date, all civil engineering construction has been carried out in Canada.

Underground utilities construction operations are conducted by Cliffside Pipelayers, a division of the Corporation. Cliffside's work consists of the construction of all types of public utility systems in Metropolitan Toronto and throughout Ontario.

Industry Segments (in thousands)

	Pipeline Construction		
	1983	1982	1981
Revenue from outside sources	$109,636	$ 60,802	$ 38,873
Segment operating profit (loss)	$ 22,264	$ 18,774	$(18,171)
Interest expense			
Gain on disposal of joint venture operations			
Income from discontinued operations			
Income taxes (provided) recoverable			
Recovery of income taxes by utilization of prior years' losses			
Net income (loss)			
Identifiable assets	$ 47,114	$ 38,130	$ 38,941
Capital expenditures	$ 619	$ 2,453	$ 1,777
Depreciation and amortization	$ 1,371	$ 2,285	$ 4,964

Geographic Segments (in thousands)

Revenue from outside sources
Segment operating profit (loss)
Interest expense
Gain on disposal of joint venture operations
Income from discontinued operations
Income taxes (provided) recoverable
Recovery of income taxes by utilization of prior years' losses
Net income (loss)
Identifiable assets

During fiscal 1983, civil construction activities derived $103,687,000 of revenue from government agencies in Canada. During the same period, pipeline operations derived $94,485,000 of revenue on two contracts for one client.

During fiscal 1982, civil construction activities derived $102,157,000 and pipeline activities derived $1,023,000 of revenue from Canadian governments or government agencies. During this same period revenue from pipeline activities in the amount of $22,961,000 was derived from one client which accounted for more than ten percent of consolidated revenue.

During fiscal 1981, civil construction activities derived $54,036,000 of revenue from Canadian governments or government agencies. During this period, revenue from three clients exceeded ten percent of consolidated revenue. Two of these clients accounted for $28,907,000 pipeline construction revenue and the third resulted in $19,895,000 civil construction revenue.

Civil Engineering Construction			Utility Construction			Consolidated		
1983	1982	1981	**1983**	1982	1981	**1983**	1982	1981
$117,022	$119,124	$ 72,515	**$ 32,200**	$ 37,437	$ 35,088	**$258,858**	$217,363	$146,476
$(13,857)	$(19,635)	$ 115	**$ 1,161**	$ 535	$ 1,991	**$ 9,568**	$ (326)	$(16,065)
						(668)	(2,545)	(3,243)
						490	276	2,624
						—	—	188
						(5,332)	2,634	1,959
						—	4,621	—
						$ 4,058	$ 4,660	$(14,537)
$ 34,224	$ 56,985	$ 75,460	**$ 15,716**	$ 16,300	$ 17,038	**$ 97,054**	$111,415	$131,439
$ 912	$ 519	$ 1,886	**$ 1,523**	$ 656	$ 2,762	**$ 3,054**	$ 3,628	$ 6,425
$ 1,888	$ 1,940	$ 2,159	**$ 851**	$ 1,267	$ 1,227	**$ 4,110**	$ 5,492	$ 8,350

Domestic			Foreign			Consolidated		
1983	1982	1981	**1983**	1982	1981	**1983**	1982	1981
$258,402	$198,025	$126,549	**$ 456**	$ 19,338	$ 19,927	**$258,858**	$217,363	$146,476
$ 10,595	$(13,128)	$ (1,993)	**$ (1,027)**	$ 12,802	$(14,072)	**$ 9,568**	$ (326)	$(16,065)
						(668)	(2,545)	(3,243)
						490	276	2,624
						—	—	188
						(5,332)	2,634	1,959
						—	4,621	—
						$ 4,058	$ 4,660	$(14,537)
$ 96,102	$109,745	$116,636	**$ 952**	$ 1,670	$ 14,803	**$ 97,054**	$111,415	$131,439

Market for Common Shares

March 31, 1983 and 1982

The common shares of Banister Continental Ltd. are traded on the American Stock Exchange in the United States and the Toronto, Montreal, and Alberta Stock Exchanges in Canada. Following is a schedule of high and low share prices, by quarter, for the fiscal years ended March 31, 1983, and March 31, 1982 on the Toronto Stock Exchange and the American Stock Exchange.

a) on the Toronto Stock Exchange
(in Canadian $)

	Fiscal 1983		Fiscal 1982	
	High	**Low**	High	Low
Quarter ended:				
June 30	8½	6	11¾	6¾
September 30	8	6	8½	4¼
December 31	10½	6¾	6⅝	4
March 31	10½	8	8¼	5¼

b) on the American Stock Exchange
(in U.S. $)

	Fiscal 1983		Fiscal 1982	
	High	**Low**	High	Low
Quarter ended:				
June 30	6⅞	4¾	10	5¼
September 30	6⅝	4⅝	7⅛	3⅜
December 31	8⅝	5½	5½	3⅜
March 31	8⅝	6⅜	6⅝	4⅜

As of March 31, 1983 there were 2,805 holders of record of the Corporation's shares, as shown on the records maintained by the Corporation's Registrar and Transfer Agent.

A special non-recurring dividend of 60 cents Canadian per common share was declared in the fourth quarter of fiscal 1983. No dividends were declared during fiscal 1982 or fiscal 1981.

The Foreign Investment Review Act of Canada contains restrictions on the acquisition of control of the Corporation by persons who are not Canadian citizens or by non-eligible persons or groups, as defined therein.

Pursuant to the Income Tax Act of Canada, non-resident shareholders are subject to a 25% withholding tax on any dividend paid by the Corporation. As a result of tax conventions with the United States of America and certain other countries, the rate of withholding tax for residents of the United States and such other countries is reduced to 15%.

Selected Financial Data

For the Years Ended March 31
(Stated in Canadian Dollars)

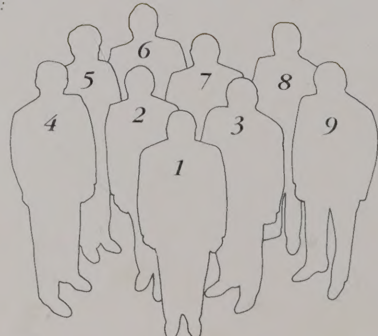
	1983	1982	1981	1980	1979
Revenue	**$258,858,000**	$217,363,000	$146,476,000	$121,980,000	$ 93,582,000
Net income (loss)	**$ 4,058,000**	$ 4,660,000	$(14,537,000)	$ (5,417,000)	$ (4,121,000)
Income (loss) from continuing operations before extraordinary item	**$ 4,058,000**	$ 39,000	$(14,725,000)	$ (6,976,000)	$ (5,050,000)
Earnings (loss) from continuing operations per common share:					
Basic	**$ .85**	$ .01	$ (3.67)	$ (1.74)	$ (1.25)
Fully diluted	**$ .84**	$ .01	$ (3.67)	$ (1.74)	$ (1.25)
Total assets	**$ 97,054,000**	$111,415,000	$131,439,000	$134,345,000	$121,851,000
Long-term debt	**$ 1,435,000**	$ 8,982,000	$ 11,503,000	$ 29,527,000	$ 31,129,000
Cash dividends declared per common share	**$ 0.60**	$ —	$ —	$ 0.17	$ 0.40
Weighted average number of common shares	**4,767,000**	4,028,000	4,014,000	4,017,000	4,030,000

Note:

Earnings (loss) per share for the five years are computed as stated in the summary of accounting policies. Earnings (loss) per share so computed are in accordance with generally accepted accounting principles applicable in Canada and are substantially the same as those which would have resulted had the computation been made in accordance with the principles applicable in the United States.

Directors in Edmonton head office reception area:

1/ R. Bernstein, 2/ J.R. McCaig, 3/ A.M. Shoults, 4/ H.B. Banister, 5/ R.K. Banister, 6/ N. Fraser, 7/ W.M. Bateman, 8/ S.A. Milner, 9/ G.A. Van Wielingen.
Missing: A. Vanden Brink.



CORPORATE INFORMATION

Board of Directors

R.K. Banister
Chairman & Chief Executive Officer
Banister Continental Ltd.

H.B. Banister
Vice President, Corporate Planning & Business Development
Banister Continental Ltd.

W.M. Bateman
President & Chief Operating Officer
Banister Continental Ltd.

R. Bernstein**
Partner
Bear, Stearns & Co.

N. Fraser**
Vice President
Pitfield, Mackay, Ross Limited

J.R. McCaig*
Chairman & Chief Executive Officer
Trimac Limited

S.A. Milner*
President & Chief Executive Officer
Chieftain Development Co. Ltd.

A.M. Shoults*
Chairman
CHQT Broadcasting Ltd.

G.A. Van Wielingen**
Chairman & Chief Executive Officer
Sulpetro Limited

A. Vanden Brink
President & Chief Operating Officer
Trimac Limited

* Members of the Audit Committee
** Members of the Compensation Committee

Officers

R.K. Banister
Chairman & Chief Executive Officer

W.M. Bateman
President & Chief Operating Officer

E.R. Austin
Group Vice President, Utilities

W.A. Barrie
Group Vice President, Civil Construction

R.F.C. Marriott
Group Vice President, Pipelines

H.B. Banister
Vice President, Corporate Planning & Business Development

C.N. D'Croix
Vice President, Administration Eastern Region

D. Flynn
Vice President, Labour Relations

R. MacTavish
Vice President, Finance, Treasurer, & Chief Financial Officer

A.F. Rankel
Vice President, Equipment & Purchasing

J.W. Wright
Vice President, Administration, Western Region

J. Lech
Controller

F.A.M. Tremayne
Secretary & General Counsel

Registrar and Transfer Agents

Guaranty Trust Company of Canada
401 - 9 Avenue S.W.
Calgary, Alberta T2P 3C5

88 University Avenue
Toronto, Ontario M5J 1T8

427 St. James Street West
Montreal, Quebec J8X 2K1

Morgan Guaranty Trust Company of New York
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Cliffside Pipelayers
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Scarborough, Ontario M1S 3B2
Phone: (416) 293-7004
Telex: 065-25276

Common Stock Listed on

Alberta Stock Exchange
Montreal Stock Exchange
Toronto Stock Exchange
American Stock Exchange

Stock symbols are BAC (ASE, TSE, MSE) and BAN (AMEX)

Banks

Royal Bank of Canada
First National Bank of Chicago

Auditors

Arthur, Young, Clarkson, Gordon & Co.

Banister
Construction Group

Over 35 years of service

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